

# STATE OF THE CITY BUDGET ADDRESS



**MAYOR OWEN QUINN**  
**JANUARY 30, 2003**

## Agenda

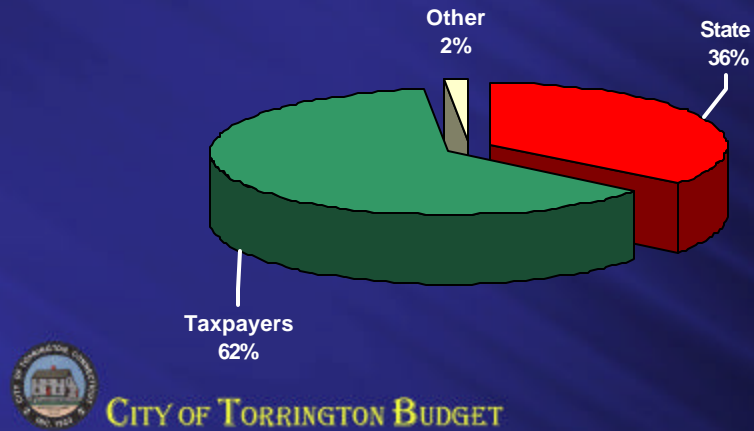
- Financial Overview
- Current Budget Status
- Ongoing Initiatives
- 2003 Budget Guidelines



**CITY OF TORRINGTON BUDGET**

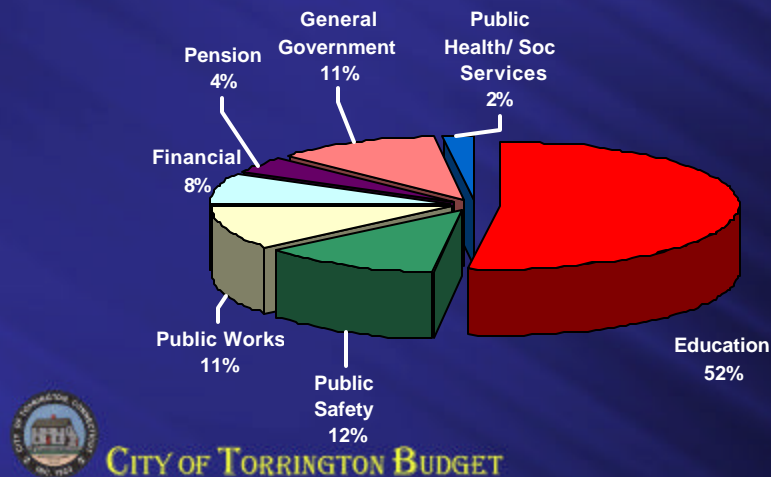
## Where the Money Comes From

- State aid represents \$30 M, over 1/3 of city revenue

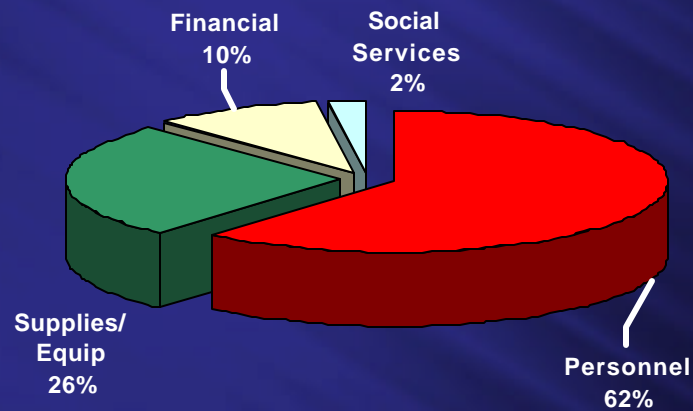


## Where the Money is Spent

- 2002-2003 Budget: \$87.8 M

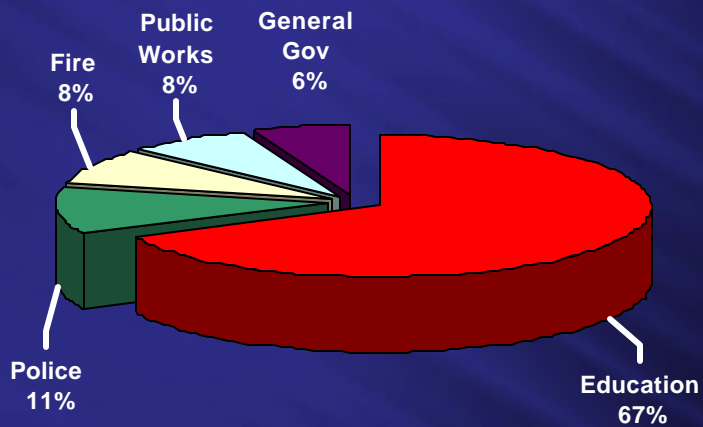


## What the Money is Spent on



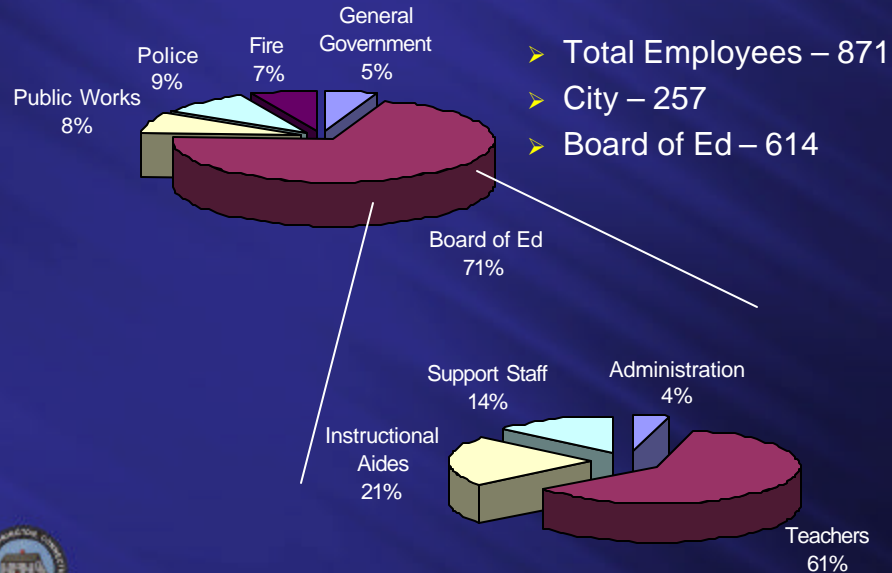
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## Where Personnel Costs are Incurred



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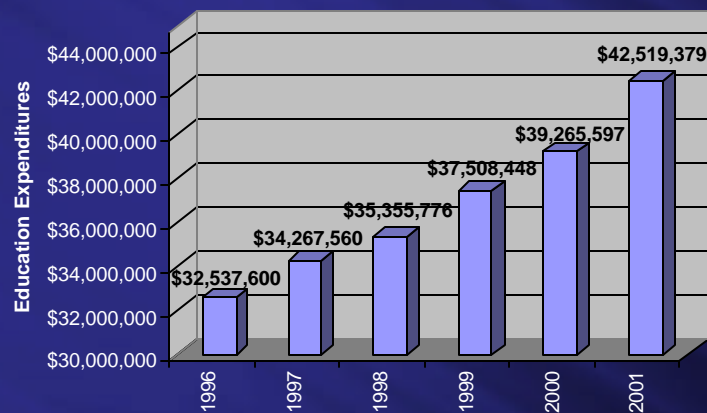
## City Personnel



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## Education System

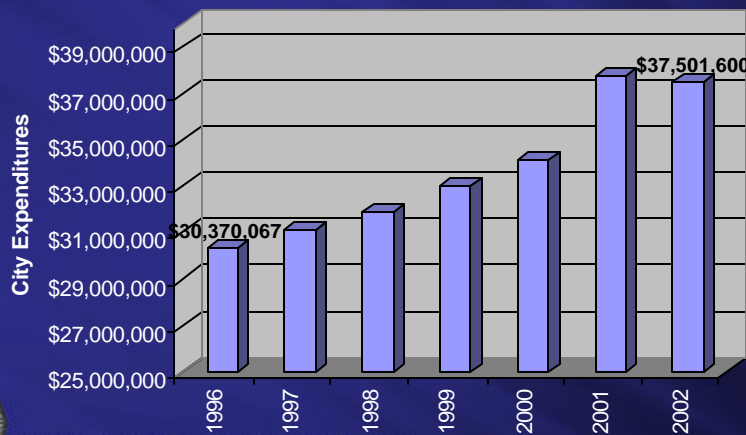
- Educational expenditures increased 31% in 7 years



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## City's Operating Expenses

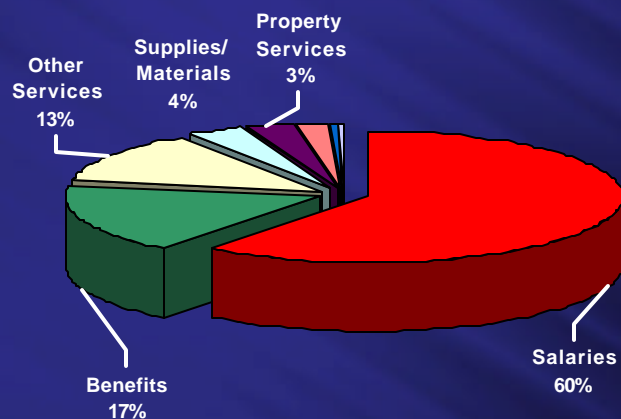
- City's operating expenditures increased 23% over 7 years



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## Education System

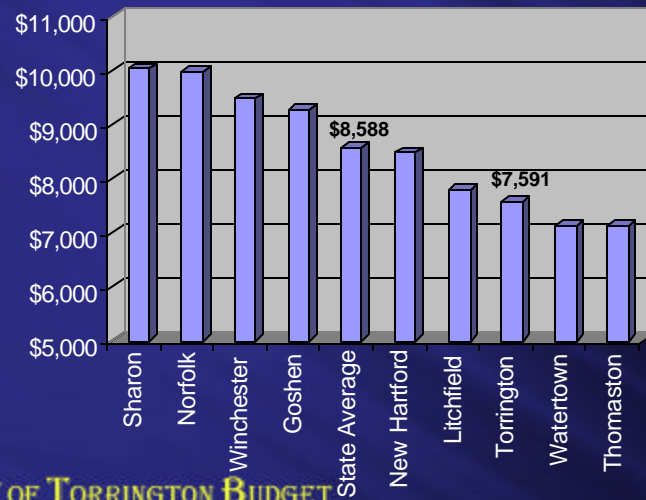
- \$45 M Budget



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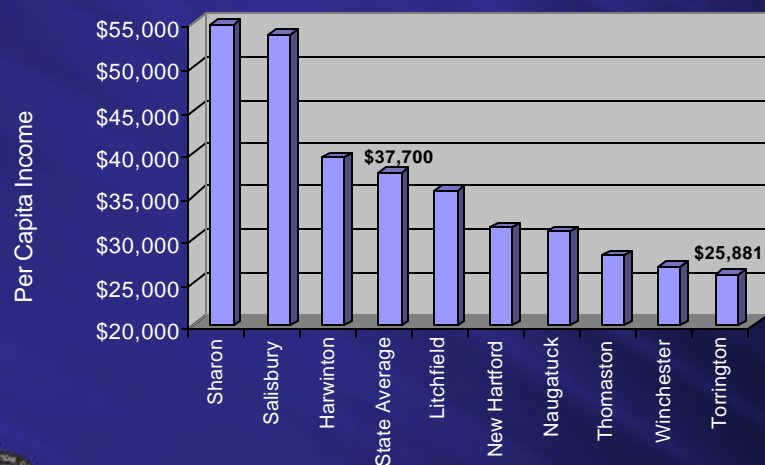
## Education System

### ➤ Net Current Expenditure per Pupil



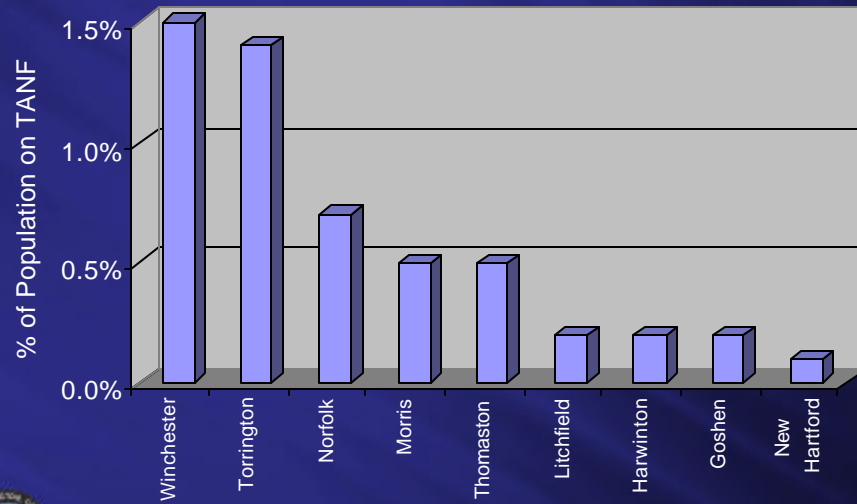
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## Fiscal Indicators



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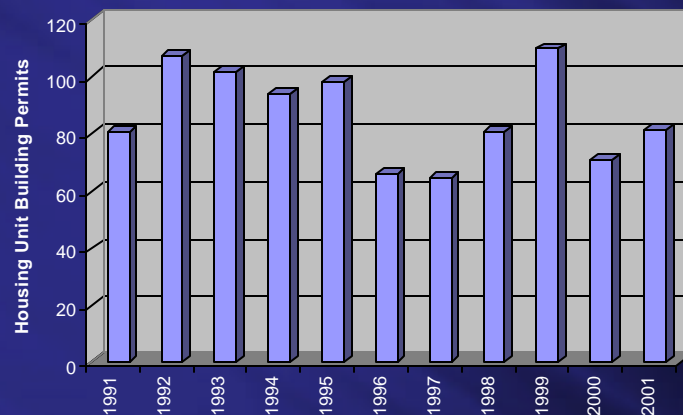
## Fiscal Indicators



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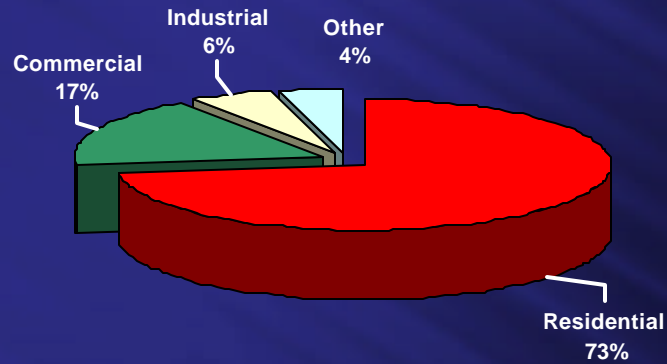
- Nearly 1,000 new residential permits in past 10 years



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## Taxpayer Dollars

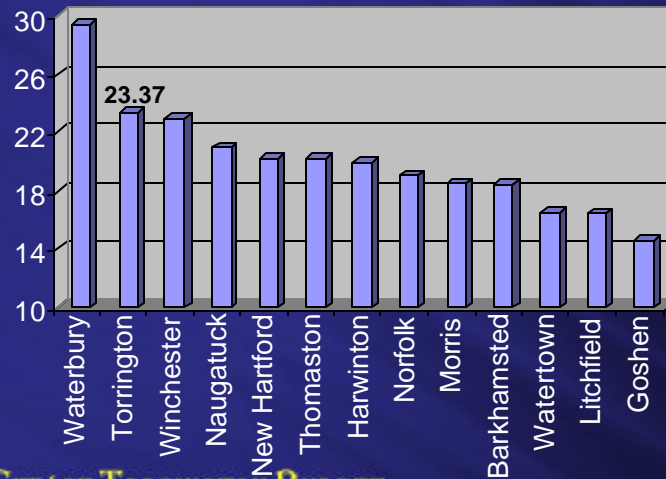
- The mill rate of 36 contributes \$50 M from taxpayers



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## Taxpayer Dollars

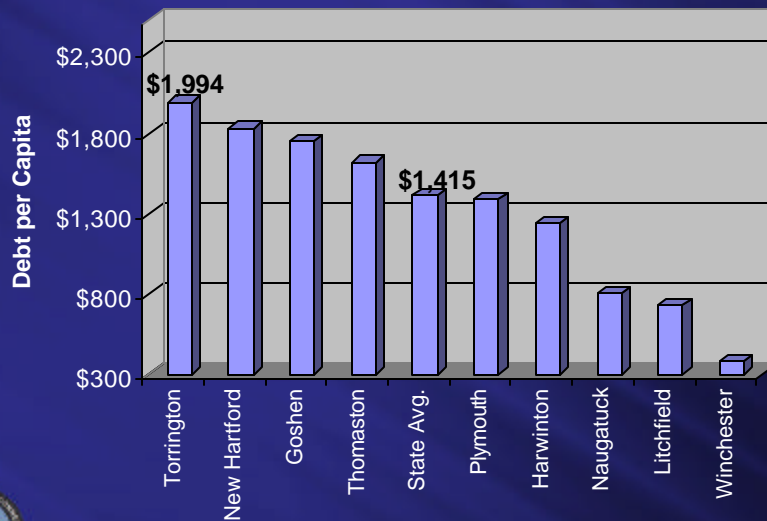
- Torrington has a high equalized mill rate



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## Debt Service



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## Ice Storm

- All costs for police, fire, EMS, shelter, public works debris removal, contractual services and damage to municipal property will exceed \$390,973



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## Current Snapshot: Expenditures

| Category                | Budget       | YTD          | % Used |
|-------------------------|--------------|--------------|--------|
| General Government      | \$3,351,534  | \$1,741,361  | 52.0%  |
| Public Safety           | \$10,662,613 | \$5,610,867  | 52.6%  |
| Public Works            | \$9,440,771  | \$4,188,113  | 44.4%  |
| Health/ Social Services | \$1,734,648  | \$652,570    | 37.6%  |
| Recreation              | \$380,518    | \$214,062    | 56.3%  |
| Debt Service            | \$7,117,605  | \$4,447,894  | 62.5%  |
| Miscellaneous           | \$9,044,504  | \$4,283,536  | 47.4%  |
| Contingency             | \$400,000    | \$131,938    | 33.0%  |
| Board of Education      | \$45,723,075 | \$23,245,319 | 50.8%  |



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## Current Snapshot: Revenue



### General Government Revenue

Property Taxes 55% Received

State Grants 38% Received

### Board of Education Revenue

State Grants 23% Received



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## Observations

- Dependent Upon State Funding
- Modest Community Wealth
- Demand for Services Growing
- Comparatively High Taxes

SO....



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## Where are we Going?



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## What are we doing now?

- Short term solutions
  - Shared Services
  - Streamlining City Hall
  - Scully & Wolf Recommendations
  - Seeking Grant Funds
  - Economic Development Efforts
  - Discussions with “Model” Communities



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## What are we doing now?

- Long Term Solutions
  - Charter Changes - Finance Department
  - Kaizen Concept – 4x4 Program
  - Blue Ribbon Task Force
  - Downtown Municipal Development Plan



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## What do we need to do?

- Establish Baseline Budget
- Target level: 0% budget increase
  - Taxes up by 1.16 to 2.58 mills, depending on level of state funding
- Maintained Level of Service
- Discussions with Unions
- Meeting with Insurance Committee



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## Budget Scenarios

| Scenario   | Mill Rate Increase | New Mill Rate |
|--|--------------------|---------------|
| 0% Budget Increase<br>Same State Aid               | 1.1586             | 37.944        |
| 0% Budget Increase<br>\$2 M Reduction in State Aid | 2.5832             | 39.3687       |
| 3% Budget Increase<br>Same State Aid               | 3.0359             | 39.8215       |
| 3% Budget Increase<br>\$2 M Reduction in State Aid | 4.4604             | 41.246        |



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## Budget Guidelines

- Department Heads are identifying concessions for the current fiscal year
- Departments are putting together a 2003-2004 budget with a 0% increase outside of contractual obligations
- Strict time schedule for budgets:
  - City Council by Feb 15
  - Board of Finance by March 20<sup>th</sup>
  - Board of Education submits by April 15th



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## Meeting the Challenge



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## **Concluding Thoughts**

- Concern but not Panic
- Adhere to Guidelines
- Prepare to Act

***We May Be Uncertain,  
But We're Not Unprepared***



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